

APPENDIX B

1. Market Service

1.1 Audit Objective

To ensure that the systems operating on the Market were operating in accordance with the Market rules and internal financial regulations and procedures.

1.2 Audit Conclusions/Auditors Opinion

The audit highlighted there were a number of issues that needed addressing to ensure there were no future concerns about the operation of the market, including that monthly reconciliations of income and the production of meaningful management information were not of an appropriate standard.

1.3 Audit Recommendations

| Key Recommendations | Officer Responsible for Implementation | Implementation Timetable |
|--|---|---------------------------------|
| (a) An effective monthly reconciliation of Markets Income should be completed. This should set out amounts due from Traders and be reconciled to amounts actually received, including details of all outstanding amounts as reconciling items. | Operational Support Manager | By 31st March 2011 |
| (b) The current method of recording of income is not effective. A new system should be put in place that records Markets income that is understandable to staff and that produces meaningful Management Information. Consideration should be given to the purchase or adaptation of software that effectively records Market income. Until this is put in place, the currently used spreadsheet should be password protected and saved on an appropriate server. | Operational Support Manager | By 31st March 2011 |

2. Housing Rent Arrears Management and Rent Debt Control

2.1 Audit Objective

An audit of the Housing Rents system was undertaken to ensure there were adequate controls in place and that these controls were being adhered to.

2.2 Audit Opinion

The audit concluded that the system for managing Housing Rents and the Rent Debt is sound and appears to be working satisfactorily.

2.3 Audit Recommendation

| Key Recommendations | Officer Responsible for Implementation | Implementation Timetable |
|--|---|---------------------------------|
| (a) The audit concluded that the number of tenants that pay their rent via Direct Debit is lower that would be expected and therefore recommended that the plan in place to encourage payment of rent by this method should now be progressed. | Housing Services Manager | By 31st March 2011 |

3. Crematorium and Cemeteries

3.1 Audit Objective

A planned audit of the Crematorium and Cemeteries service was undertaken to verify whether the systems and controls in place with this service were adequate and were being complied with.

3.2 Audit Opinion

The controls that are currently in place are effective in that they allow the current work to be completed. However, due to the inadequacies that were highlighted as part of the audit, the following recommendations need to be implemented to ensure the continued effective running of the service and/or to protect the Council and its staff. Due to this the opinion is that this service has satisfactory controls in place.

3.3 Audit Recommendations

| Key Recommendations | Officer Responsible for Implementation | Implementation Timetable |
|---|---|---------------------------------|
| (a) The Funeral Director that has a significant debt outstanding should repay this amount urgently and then keep within the terms to which all other Funeral Directors are subject. No special terms can be in place for any clients, as such terms are prejudicial to all other Funeral Directors. | Bereavement Services Manager | By 31st March 2011 |
| (b) Budget Monitoring should be completed each month to ensure that all expenditure and income is being recorded appropriately. | Bereavement Services Manager/Head of Service | By 28th February 2011 |

4. **Capital Contracts (Tender Process)**

4.1 Audit Objective

To ensure that staff who are responsible for processing tenders are complying with the Council's Contract Procedures Rules (formally Standing order 46).

4.2 Audit Opinion

Audit concluded that although the Contract Procedure Rules appeared to be working satisfactorily there were a number of weaknesses that needed reviewing in respect of the tender opening procedures.

4.3 Audit Recommendations

| Key Recommendations | Officer Responsible for Implementation | Implementation Timetable |
|--|---|---------------------------------|
| (a) In one of the tenders reviewed the tender opening record sheet could not be located and therefore Audit recommended that all documentation appertaining to the opening of tenders must be maintained securely in the Tenders Register. | Democratic Services Manager | By 31st December 2010 |
| (b) Audit recommended that all One Stop Shop staff who may be involved with the receipt of tender documents must be given regular refresher training on the correct procedures to be followed in this area. | Procurement Advisor | By 30th May 2011 |

5. **Crossgate Depot Supplies Unit**

5.1 Audit Objective

An audit of supplies service was undertaken to determine whether the systems and controls in place within the stores were adequate and whether they were being complied with.

5.2 Audit Opinion

The Audit Assistant gave this system a moderate level of assurance subject to the weaknesses in controls identified by audit work being addressed.

5.3 Audit Recommendations

| Key Recommendations | Officer Responsible for Implementation | Implementation Timetable |
|---|---|---------------------------------|
| (a) 15% (269 items) of the stores stock lines have a zero balance. Audit recommended that stock items with a zero balance should be discontinued. | Transport and Supplies Manager/ Supplies Team Leader | By 31st January 2011 |
| (b) 18% (313 items) of the stores stock lines have not moved for 12 months. Audit recommended that all such stock lines should be reviewed and obsolete stock written off where necessary. | Transport and Supplies Manager | By 31st March 2011 |
| (c) The write-off provision for the stores is currently £800. Audit recommended this should be reviewed to ensure it is adequate in view of the level of possibly obsolete stock held in the stores. | Head of Environmental Services / Head of Finance and Resources | By 31st March 2011 |
| (d) No independent stock checks had been undertaken in the stores during 2010/11 (up to 3.11.10). Audit recommended the independent stock check process must be operated on a timely basis. | Head of Environmental Services/ Environmental Business Support Manager/ Transport and Supplies Manager | By 31st January 2011 |
| (e) Quotation exercises for the supply of stores materials have not been completed, (although data has been forwarded to the Procurement Advisor for the negotiation of framework contract, this had only been progressed for fencing and plumbing materials). Audit recommended that approved suppliers must be identified for all categories of supplies materials by an agreed date. | Head of Finance and Resources/ Head of Environmental Services | By 1st September 2011 |

| Key Recommendations | Officer Responsible for Implementation | Implementation Timetable |
|---|---|---------------------------------|
| <p>(f) The value and control of stock held on operatives vehicles has not been determined or valued. Audit recommended that 'van stocks' should be determined and then those stocks fully controlled and subject to regular stock checks.</p> <p><u>Note:</u> This recommendation was agreed at the last audit but not implemented.</p> | Head of Housing Services/ Repairs and Maintenance Manager | By 31st March 2011 |
| <p>(g) Reports from the Triscan fuel issuing system were not being produced. Audit recommended that these reports must be produced and monitored on a regular and timely basis.</p> | Head of Environmental Services | By 25th February 2011 |
| <p>(h) The independent checking of materials issued to Housing clients is not operating effectively. Audit recommended that issues of materials to Housing jobs must be properly monitored.</p> | Head of Housing Services | By 25th February 2011 |